

CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL-CUM-LABOUR COURT,

ERNAKULAM

Date: 10-03-2026

(SPECIAL CAMPAIGN)

PRESENT: SHRI SUSHIL KUMAR-II,
PRESIDING OFFICER

APPEAL No. 96/2022

BETWEEN

M/s. The Cannanore Co-operative Spinning Mills Ltd,
No.F1278, Post Box No.2005
Chovva P.O Kannur -670 004

... I Party / Appellant

AND

The Regional Provident Fund Commissioner-II,
Employees Provident Fund Organization,
Regional Office, V.K.Complex, Fort Road,
Kannur-670 001

... II Party / Respondent

Appearance

For the Appellant

Adv. Alexander Joseph

For the Respondent

Adv. K.C Santhosh Kumar

This appeal has been filed by the Appellant against Order No. KR/KNR/1535/Penal Damages/2021-22/793 dated 11-11-2021 of the Regional Provident Fund Commissioner, Kannur by which damages amounting to Rs. 13,04,139/- was levied against appellant under Section 14B of the Act.

2. The Appellant stated that assessment is made at high point without assigning any reason to impose maximum amount of damages.

3. As per the provisions of Section 14B, there are three ingredients.

- A. There must be default on the part of the employer in payment of any contribution to the fund payment of any charge.
- B. The Authorised Officer may recover from the employer (by way of penalty such damages) not exceeding an amount of arrears for such damages, and
- C. Limit of amount not to exceed arrears.
4. These were three ingredients specified that there must be some due payable to the employer and the Authorized Officer may recover it not exceeding the amount of arrears. Thus, Section 14B of the Act is enabling provision and does not envisage any compulsion to levy damages in all cases up to a maximum limit. Before levy of damages, on the given circumstances must be considered by the authority before imposing damages.
5. Having gone through the record and after hearing upon the parties, it appears that the Respondent authority has imposed maximum penalty without assigning any plausible reasons.


ORDER

Therefore, in view of the statements made by both the parties and considering the facts of the present case, and the fact that assessment relates to a portion of covid 19 pandemic period. it is appropriate to waive 40% of the amount of damages assessed by the Respondent. Ordered accordingly

Record be consigned to the record room.

Place : Ernakulam
Date: 10-03-2026




(SUSHIL KUMAR A)
Presiding Officer